

MINED LANDS RECLAMATION CONTRACT

THIS CONTRACT, made and entered into this 24th day of October, 1979, between RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION, a corporation duly authorized and existing under and by virtue of the laws of the State of New Mexico, as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases known as the "Small Fry" mine, more particularly described in the Mine Reclamation Plan submitted herewith.

WHEREAS, the Operator did, in June of 1977, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations previously adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff by the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capabilities of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each of the other made and herein contained, the parties hereto agree as follows:

1. Subject to paragraph 3 below, the Operator promises to reclaim the land affected in accordance with the approved Mining and Reclamation Plan, the Mined Land Reclamation Act, and the Rules and Regulations previously adopted in accordance therewith.
2. The Board, in lieu of the posting of a bond or other surety, accepts the corporate guarantee of the Operator to reclaim the land affected.
3. The Board and Operator both agree that the Operator will not be obligated to expend a sum in excess of that required to complete the reclamation work outlined in the Mining and Reclamation Plan which was designated for the mining operation as submitted to the Division in June of 1977 and amended on July 20, 1979, and which shall not exceed \$19,990.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this 15th day of November, 1979.

RANCHERS EXPLORATION AND
DEVELOPMENT CORPORATION

ATTEST:

James M. Rosel
Assistant Secretary

By

Herbert M. Campbell II
Vice President

BOARD OF OIL, GAS, AND MINING

By

C. P. Henderson
Chairman